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NEWS RELEASE

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Real Estate Investment Solicitation Leads to Criminal Charges

Investor defrauded out of \$16,000 on a claim the money would finish building homes . . .

SALT LAKE CITY, Utah – The Utah Attorney General's office today filed 5 felony criminal charges against Larry Michael Rasmussen of Sandy for his promotion of a real estate investment fraud. Rasmussen was charged with three counts of securities fraud, one count of theft by deception, and one count of communications fraud.

According to the criminal charges, Rasmussen offered two individuals investments in homes he claimed to be building in Syracuse. Rasmussen said the homes were almost complete and were already sold, but he needed \$15,000 to complete the homes. He offered 20% profit to the investors, saying there was no risk and that the return was guaranteed because the homes were almost complete and already had buyers. One investor gave Rasmussen \$15,000 initially and an additional \$1,000 later.

The state alleges that Rasmussen did not tell the investor that he had over \$18,000 in outstanding, unpaid judgments, that he was delinquent on payments to a prior investor, and that he was not a contractor. He also failed to provide copies of financial statements or other types of disclosures required when selling securities.

The theft by deception charge against Rasmussen is for allegedly incorporating a company in Utah with the same name as an unaffiliated New Jersey company, then depositing a stolen \$1.7 million check into a bank account of the Utah company. The communications fraud charge relates to a \$130,000 investment Rasmussen allegedly took in 2004 promising a \$4 million line of credit for the investor.

In February 2006, Rasmussen gave the real estate investor a \$30,000 official bank check issued by US Bank, as repayment of the investments. But, US Bank refused to honor the check it had issued after it discovered the \$1.7 million check had been stolen.

In October, 2006, the Utah Division of Securities initiated administrative proceedings to impose a cease and desist order against Rasmussen for the real estate investment. A default order was entered on December 21, after Rasmussen failed to appear at a hearing or file an answer contesting the Division's allegations. Rasmussen also was ordered to pay a \$30,000 fine.